

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Latham Post Office
Latham, Missouri

Docket No. A2011-71

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 7, 2011)

On September 13, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked September 2, 2011, from postal customer Deanna Cook on behalf of the Tipton Latham Bank ("Petitioner") objecting to the discontinuance of the Post Office at Latham, Missouri. On September 15, 2011, the Commission issued Order No. 855, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 855, the administrative record was filed with the Commission on September 28, 2011. On October 21, the Postal Service submitted a supplement to the record. On October 14, 2011, the Petitioner filed a Participant Statement in support of the petition ("Tipton Statement"). On October 13, 2011 two additional letters were received by the Commission. The first letter dated October 3, 2011, was signed by the following individuals/companies: Roadside Country Store, Sauder's Bike Shop, Elva Sauder and Emos Sauder ("Sauder Letter"). The second letter was also dated October 3, 2011, and was submitted by Shelbie Schatzer ("Schatzer Letter").

The appeal, the Participant Statement, and other communications filed with the Commission, raise three issues: (1) the impact on the provision of postal services, (2) the impact upon the Latham community, and (3) the calculation of economic savings expected to result from discontinuing the Latham Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Latham Post Office should be affirmed.

Background

The Final Determination to Close the Latham Post Office and Continue to Provide Service by Highway Contract Route Service ("Final Determination" or "FD"),² as well as the administrative record, indicate that the Latham Post Office provides EAS-11 level service to no carrier delivery customers and to 22 Post Office Box customers. The office also provides retail service 45 hours per week.³ The postmaster of the Latham Post Office was promoted on December 8, 2008. Since the postmaster vacancy arose, a Non-Career Postmaster Relief (PMR) was installed to operate the office. The

¹ See 39 U.S.C. 404(d)(2)(A).

² The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to "FD at 47," rather than to Item 47. The FD Section refers to the Roman Numeral Sections referenced in the document. Other items in the administrative record are referred to as "Item ____." The page numbers on these other items are found in the upper left-hand corner of the pages.

³ FD at 2; Item No. 41, Proposal, at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1; Item No. 8, (Form 150) Postmaster Workload Information; Item No. 15, Post Office Survey Sheet at 1.

noncareer PMR may be separated from the Postal Service.⁴ The average number of daily retail window transactions at the Latham Post Office is 21.2, accounting for 22.2 minutes of workload daily.⁵ Revenue generally has been declining: \$45,549 in FY 2008 (119 revenue units); \$ 46,312 in FY 2009 (121 revenue units); and \$37,511 (98 revenue units) in FY 2010.⁶ Item No. 42, Post Office Closing Proposal, at 1. Upon implementation of the Final Determination, delivery will be provided by highway contract route services. The delivery services will be administered by the California, Missouri Post Office, an EAS-18 level office located 12 miles away, which has 89 available Post Office Boxes.⁷ Retail services will also be available at the California Post Office and at the Fortuna Post Office which is 7 miles away. The Fortuna Post Office is an EAS-11 level office which also has 21 Post Office Boxes available for rent.⁸ This service will continue upon implementation of the Final Determination.⁹

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Latham Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Latham Post Office. Questionnaires

⁴ Item No. 1, Authority to conduct investigation at 1; Item No. 15, Post Office Survey Sheet at 1; FD at Section III; Item No. 41, Proposal, at 7.

⁵ Item No. 21, Letter to Postal Customers at 1; Item No. 10, Window Transaction survey.

⁶ FD, at 2; Item No. 15, Post Office Fact Sheet, at 1; Item No. 33, Proposal Exhibit, at 2.

⁷ FD at 2; Item No. 15, Post Office Fact Sheet, at 1; Item No. 41, Proposal, at 2.

⁸ Item No. 41, Proposal, at 2; Item No. 1, Authority to Conduct Investigation at 1.

⁹ FD at 1; Item No. 41, Proposal, at 2.

were also available over the counter for retail customers at Latham.¹⁰ A letter from the Manager of Post Office Operations was also made available to postal customers. The letter advised customers that the Postal Service was evaluating whether the continued operation of the Latham Post Office was warranted, and whether effective and regular service could be provided through highway contract route delivery services administered by the California Post Office. The letter also advised customers that retail services are available at the California and Fortuna Post Offices. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving highway contract route delivery.¹¹ Of the 30 questionnaires distributed, 19 were returned, and the Postal Service responded.¹² In addition, representatives from the Postal Service were available at the Latham Post Office for a community meeting on March 30, 2011 to answer questions and provide information to customers.¹³ A Congressional Inquiry, dated April 13, 2011, was forwarded to the Postal Service and a response made.¹⁴ Also, on April 14, 2011 a petition was received by the Postal Service containing 197 signatures.¹⁵ Customers received formal notice of the Proposal and Final Determination through postings at the Latham Post Office. The Proposal was posted

¹⁰FD at 2; Item No. 41, Proposal, at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Latham Post Office, at 1.

¹¹ Item No. 21, Letter to Customer, at 1

¹² Item Nos. 21 and 22, Returned customer questionnaires and Postal Service response letters; Item No. 23, Postal Service Customer Questionnaire Analysis.

¹³ FD at 2; Item No. 41, Proposal at 2; Item No. 24 Community Meeting Roster; Item No. 25, Community Meeting Analysis.

¹⁴ Item No. 28, Congressional Inquiry and Postal Service Response.

¹⁵ Item No. 27, Petition.

with an invitation for public comment at the Latham Post Office for 60 days beginning April 21, 2011.¹⁶ In response to the “Invitation for Comments” after the Proposal was posted, additional comments were received.¹⁷ The Final Determination was posted at the Latham Post Office, California Post Office, and Fortuna Post Office starting on August 5, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item 49.

In light of the postmaster vacancy; a minimal workload; decreasing office revenue;¹⁸ the variety of delivery and retail options (including the convenience of highway contract route delivery and retail service);¹⁹ no projected population, residential, commercial, or business growth in the area;²⁰ minimal impact upon the community; and the expected financial savings,²¹ the Postal Service issued the Final Determination.²² Regular and effective postal services will continue to be provided to the Latham community in a cost-effective manner upon implementation of the Final Determination.²³

Each of the issues raised by the Petitioner and other customers who submitted statements are addressed in the paragraphs that follow.

¹⁶ Item No. 31, Letter of Instructions, at 1; Item No. 32, Invitation for Comments, at 1.

¹⁷ Item No. 40, Analysis of Comments.

¹⁸ See notes 5 and 6, and accompanying text.

¹⁹ FD at Section I; Item No. 41, Proposal, at 3, 5.

²⁰ FD at Section VI (Summary); Item No. 16, Community Survey Sheet; Item No. 41, Proposal, at 7.

²¹ FD at Section VI (Summary); Item No. 18, Post Office Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 1-2; Item No. 41, Proposal, at 7.

²² FD at Section VI.

²³ FD at 3-4.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Latham Post Office on postal services provided to Latham Post Office customers. The closing is premised upon providing regular and effective postal services to Latham Post Office customers.

The Petitioner and others who submitted letters and statements in this Appeal all raise the issue of the effect on postal services that the Latham Post Office's closing will have, noting the convenience of the Latham Post Office and requesting its retention. The comments received by the Commission also expressed concerns that are particular to the Mennonite community who travel by horse and bicycle and who may not utilize computers. The Postal Service considered these factors. The Postal Service has considered the impact of closing the Latham Post Office upon the provision of postal services to Latham's customers and adequately addresses it by providing delivery and retail services by highway contract route service. FD at Section I, VI; Item No. 41, Proposal, at 2-5, 7.

The Petitioner's initial letter of appeal expresses concern about the collection of outgoing mail. The Postal Service explained that the collection of mail will be made by the carrier when serving the route. FD at Section I.

The Petitioner's initial letter of appeal expresses concern about sending certified, registered, delivery confirmation and signature confirmation mail. The Postal Service explained that special services such as certified, registered, Express Mail, delivery

confirmation, signature confirmation, and COD may be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. The carrier will provide the services that day and leave a customer receipt in the mailbox on the next delivery day. FD at Section I.

The Petitioner's letter of appeal also expressed concern about having to travel to another post office for service. As explained throughout the administrative record, highway contract route carriers ("carriers") can perform many functions (at the same time that the carrier delivers the mail) that will prevent any need to go to a Post Office. Carrier service may especially be beneficial to those who face special challenges and who lack access to a Post Office or internet services. Here, the community has a small Mennonite population whose members will not have access to postal services via the internet and for whom travelling to a Post Office 7 or 12 miles away is difficult as they do not travel via motorized vehicle. These may be the same type of concerns shared by some elderly or disabled members of the community. See Item No. 22 at 6. The Postal Service's plan to continue to provide services via highway contract route service through a carrier that can provide delivery and retail services to roadside mailboxes or cluster box units addresses these community concerns. FD at Section I; Item 25, Postal Service Customer Community Meeting Analysis, at 1; Item No. 41, Proposal, at 2-5; Item No. 22, Response to customer Rissler, at 1. Customers do not have to make a special trip to the Post Office for service. And most transactions do not even require meeting the carrier at the mailbox. FD at Section I; Item 25, Postal Service Customer Community Meeting Analysis, at 1; Item No. 41, Proposal, at 2-5; Item No. 23, Postal

Service Customer Questionnaire Analysis, at 1-2. Additionally, special provisions are made, on request, for hardship cases or special customer needs. FD at Section II; Item No. 41, Proposal, at 5. Among other services, Stamps by Mail and Money Order Application forms are available for customer convenience. FD, at Section 1; Item No.22, Response to Concern from Elva Sauder, at 4; Item No. 41, Proposal, at 3.

The Sauder letter filed in this appeal expressed particular concern with the ability to mail a letter or package when there was uncertainty as to the amount of correct postage to place on a letter or package. As explained in the record, the customer may leave the letter or parcel in their mailbox and the carrier will leave a receipt for the amount due, or provide change and a receipt for the amount paid, as left in the mailbox, to mail the item. FD at Section I; Item No. 41, Proposal, at 2; Item No. 23, Analysis of Questionnaires, at 1-2. Item No. 22, Response to customer concern, at 3.

Upon the implementation of the Final Determination, delivery and retail services will be provided by highway contract route delivery emanating from the California Post Office. In addition to highway contract route delivery, which is the recommended alternate service, customers may also receive postal services at the Fortuna Post Office, which is located 7 miles away. The window service hours of the Fortuna Post Office are from 7:00 a.m. to 3:45 p.m., Monday through Friday and 7:00 a.m. to 8:45 a.m. on Saturday. Item No. 41, Proposal, at 2. Retail services are also available at the California Post Office that is 12 miles away. FD at Section I; Item No. 41, Proposal, at 2. Furthermore, the attention and assistance provided by the personnel at the Latham Post Office will be provided by personnel at the California and Fortuna Post Offices and

from the carrier. Thus, the Postal Service has properly concluded that all Latham customers will receive regular and effective service via highway contract route delivery on the carrier's line of travel.

Effect Upon the Latham Community

The Postal Service is obligated to consider the effect of its decision to close the Latham Post Office upon the Latham community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Latham is an unincorporated community located in Moniteau County. The community is administered politically by Moniteau County, which also provides police protection. Fire protection is provided by the Fortuna Volunteer Fire Department. FD at Section II; Item No. 16, Community Survey Fact Sheet at 1; Item No. 41, Proposal at 5. The questionnaires completed by Latham customers indicate that, in general, the farmers, small Mennonite population, and others who reside in Latham do travel elsewhere for other supplies and services. See *generally* Returned customer questionnaires and Postal Service response letters, at Items 21 and 22.

The Tipton Bank's Participant Statement, filed by Deanna Cook, raises the issue of the effect of closing the Latham Post Office upon the Latham community. More specifically, Petitioner states that "Business is conducted throughout the day and needs occur daily after the route delivery time." This statement focuses upon the timeliness of

services provided and names the 12, or so, town businesses that rely upon postal services along with churches and schools. This is a valid concern; however, most services are available through the carrier on the day requested and do not require meeting the carrier at the mailbox. See Response to Concern No. 5 in FD at Section I. Stamps by Mail and Money Order Application forms are available for customer convenience. Stamps are also available at many ATMs, gas stations, grocery stores, and by calling 1-800-STAMP24. If customers have access to the internet, stamps and other postal services are also available at www.usps.com. Stamp orders are usually processed overnight, but some may be done immediately by the carrier. Postal money orders are processed when the carrier returns to the Post Office, and the postal carrier will even mail the money order if the customer provides a self-addressed and stamped envelope to mail the money order to the destination. Special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be obtained from the carrier by leaving a note to the carrier with appropriate payment. The carrier will provide the services that day and leave a receipt in the customer's mailbox the next day. Consequently, the service that will be provided to Latham customers, which can be accomplished without meeting the carrier at the mailbox, is rather expedient. The community should not experience significant delay in receiving their postal services, thus diminishing any impact claimed by the Petitioner upon the "financial needs" of the community. These issues were extensively considered by the Postal Service, as reflected in the administrative record. FD, at Section I; Item Nos.21, and 22, Returned customer questionnaires and Postal Service response letters; Item

No. 23, Questionnaire Analysis, at 1-3; Items No. 34 and 38, Additional Customer Comments and Postal Service Responses; Item No.25, Community Meeting Analysis at 1; Item No. 40, Analysis of Comments; Item No.41, Proposal 2-6.

Further, the Postal Service considered the impact that closing the Latham Post Office would have on the business community when it asked customers who patronized local businesses whether they would continue to do so if the Latham Post Office was discontinued. Item No. 21, Customer Questionnaires, at question 5. The returned questionnaires indicate that customers would continue to support their local businesses after the Post Office was closed. Item No. 21, Returned customer questionnaires and Postal Service response letters, (see responses to question five of the questionnaires).

The Postal Service also considered the impact of this closing on community identity. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item No. 38, Postal Service Response to Customer Comment, at 2. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Latham name and ZIP Code in addresses. FD at end of Section I; FD at Section II; Item No. 41, Proposal at 6.

Communities generally require regular and effective postal services and these will continue to be provided to the Latham community. Item 22, Response to Customer Concern, at 13. In addition, the Postal Service has concluded that nonpostal services provided by the Latham Post Office can be provided by the California Post Office.

Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at Section II.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Latham Post Office on the community served by the Latham, Missouri Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that highway contract route service would cost the Postal Service substantially less than maintaining the Latham Post Office and would still provide regular and effective service. Item No. 26, Letter to Postal Customers, at 1. The estimated annual savings associated with discontinuing the Latham Post Office are \$33,035. FD at Section IV; Item No. 41, Proposal, at 7. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).

The Schatzer Letter expresses concern that the Postal Service was “saying they will save a lot of money closing the little rural post offices.” However, the Postal Service is only required to demonstrate that the closure of the specific Post Office under review will satisfy the criteria set forth in § 404(d), not whether the impact of closing a number of rural offices will have a large impact on the Postal Service’s financial situation. In this

case, the Postal Service has determined that rural route service will provide regular and effective service to the Latham community.

Further, the Schatzer letter pointed out that the Latham Post Office has been managed by an OIC since December of 2008 who does not get paid “benefits or days off” and thus, the service rendered at the Latham Postal Service was already saving money. While that observation may have merit, the point is that one career slot is being eliminated with the discontinuance of the Latham Post Office. If that slot were filled in accordance with its current rating by a career employee, the salary would be as shown for a postmaster. In most discontinuance decisions the Postal Service values positions slated for possible elimination by the expense that would be necessary were a career employee assigned, in accordance with the complex set of agreements and regulations that govern employee and labor relations. This is a reasonable valuation by the Postal Service that constitutes an appropriate way of standardizing the valuation of positions. Hence while the Petitioner raises a reasonable question, the Postal Service approach is both defensible and reasonable; moreover it is efficient while adding comparability across discontinuance studies. The relevant consideration is that the postmaster position is vacant.

The Postal Service determined that rural carrier service is more cost-effective than maintaining the Latham Post Office and postmaster position. FD at Section IV. The Postal Service’s estimates are supported by record evidence, in accordance with the Postal Service’s statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing,

consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on December 8, 2008. A non-career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). The noncareer PMR serving as the OIC may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. FD at Section I, III; Item No. 15, Post Office Survey Sheet, at 1; Item No. 41, Proposal, at 2, 7; Item No. 38, Response to Customer Comment, at 1.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Latham Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Latham Post Office on the provision of postal services and on the Latham community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal

Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Latham customers. FD at Section I. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C.

§ 404(d)(2)(A). The Postal Service's decision to close the Latham Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Latham Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development

Shoshana O. Epstein
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-8853; Fax -6279
Shoshana.o.epstein@usps.gov